API Well Number: 43047526370000

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3
AMENDED REPORT ☑

APPLICATION FOR PERMIT TO DRILL

1. WELL NAME and NUMBER UTE 13-2A-4-1	
2. TYPE OF WORK DRILL NEW WELL ● REENTER P&A WELL ○ DEEPEN WELL ○	**3. FIELD OR WILDCAT** LELAND BENCH
4. TYPE OF WELL Oil Well Coalbed Methane Well: NO	**5. UNIT or COMMUNITIZATION AGREEMENT NAME**
6. NAME OF OPERATOR FINLEY RESOURCES INC	**7. OPERATOR PHONE** 817 231-8735
8. ADDRESS OF OPERATOR PO Box 2200, Fort Worth, TX, 76113	**9. OPERATOR E-MAIL** awilkerson@finleyresources.com
10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE) 14-20-H62-4896	**11. MINERAL OWNERSHIP** FEDERAL ○ INDIAN ● STATE ○ FEE ○
12. SURFACE OWNERSHIP FEDERAL ○ INDIAN ○ STATE ○ FEE ●	
13. NAME OF SURFACE OWNER (if box 12 = 'fee') Coleman, et al.	**14. SURFACE OWNER PHONE (if box 12 = 'fee')** 435-654-1666
15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee') 148 West Center Street, Heber City, UT 84032	**16. SURFACE OWNER E-MAIL (if box 12 = 'fee')**
17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN')	**18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS** YES ○ (Submit Commingling Application) NO ●
19. SLANT VERTICAL ● DIRECTIONAL ○ HORIZONTAL ○	

20. LOCATION OF WELL	FOOTAGES	QTR-QTR	SECTION	TOWNSHIP	RANGE	MERIDIAN
LOCATION AT SURFACE	462 FNL 1650 FEL	NWNE	13	4.0 S	1.0 E	U
Top of Uppermost Producing Zone	462 FNL 1650 FEL	NWNE	13	4.0 S	1.0 E	U
At Total Depth	462 FNL 1650 FEL	NWNE	13	4.0 S	1.0 E	U

21. COUNTY UINTAH	**22. DISTANCE TO NEAREST LEASE LINE (Feet)** 462	**23. NUMBER OF ACRES IN DRILLING UNIT** 40
	25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed) 1190	**26. PROPOSED DEPTH** MD: 8500 TVD: 8500
27. ELEVATION - GROUND LEVEL 5139	**28. BOND NUMBER** RLB 0011294	**29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE** 43-8496

Hole, Casing, and Cement Information

String	Hole Size	Casing Size	Length	Weight	Grade & Thread	Max Mud Wt.	Cement	Sacks	Yield	Weight
COND	17.5	13.375	0 - 60	48.0	H-40 ST&C	0.0	Class G	41	1.17	15.8
SURF	12.25	8.625	0 - 358	32.0	J-55 ST&C	8.6	Premium Lite High Strength	47	3.53	11.0
							Class G	111	1.17	15.8
PROD	7.875	5.5	0 - 8500	15.5	J-55 LT&C	9.5	50/50 Poz	961	1.24	13.2

ATTACHMENTS

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES

☑ WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER	☑ COMPLETE DRILLING PLAN
☑ AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)	☐ FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER
☐ DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED)	☑ TOPOGRAPHICAL MAP

NAME Don Hamilton	**TITLE** Agent	**PHONE** 435 719-2018
SIGNATURE	**DATE** 05/04/2012	**EMAIL** starpoint@etv.net

API NUMBER ASSIGNED
43047526370000

APPROVAL

Permit Manager

RECEIVED: July 02, 2012

Finley Resources, Inc.
UTE 13-2A-4-1
462' FNL & 1,650' FEL, (NW/4 NE/4), Sec 13, T4S, R1E, U.S.B.&M.
Uintah County, UT

Drilling Program

1. Formation Tops

Surface	5,139'
Green River	2,494'
Black Shale	6,419'
Uteland Butte	6,874'
Wasatch	7,364'
TD	8,500'

2. Depth to Oil, Gas, Water, or Minerals

Black Shale	6,419'	-	6,874'	(Oil)
Uteland Butte	6,874'	-	TD	(Oil)

Fresh water may be encountered in the Duchesne Formation, but is not expected below about 300'.

3. Pressure Control

Section	BOP Description
Surface	12-1/4" diverter
Interm/Prod	The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc for a 5M system.

A 5M BOP system will consist of 2 ram preventers (double or two singles) and an annular preventer (see attached diagram). A choke manifold rated to at least 5,000 psi will be used.

4. Casing

Description	Interval		Weight (ppf)	Grade	Coup	Pore Press @ Shoe	MW @ Shoe	Frac Grad @ Shoe	Safety Factors		
	Top	Bottom							Burst	Collapse	Tension
Conductor	0'	60'	48	H-40	STC	--	--	--	1,730	770	322,000
13 3/8									--	--	--
Surface	0'	358'	32	J-55	STC	8.33	8.6	11	3,930	2,530	417,000
8 5/8									21.57	21.27	36.40
Production	0'	8,500'	15.5	J-55	LTC	9	9.5	11	4,810	4,040	217,000
5 1/2									1.54	1.21	1.65

RECEIVED: May 04, 2012

Assumptions:

Surface casing MASP = (frac gradient + 1.0 ppg) - (gas gradient)
Intermediate casing MASP = (reservoir pressure) - (gas gradient)
Production casing MASP = (reservoir pressure) - (gas gradient)
All collapse calculations assume fully evacuated casing with a gas gradient
All tension calculations assume air weight of casing
Gas gradient = 0.1 psi/ft

All casing shall be new.
All casing strings shall have a minimum of 1 centralizer on each of the bottom 3 joints.

5. Cement

Job	Hole Size	Fill	Slurry Description	ft^3 / sacks	OH excess	Weight (ppg)	Yield (ft^3/sk)
Conductor	17 1/2	60'	Class G w/ 2% KCl + 0.25 lbs/sk Cello Flake	48 / 41	15%	15.8	1.17
Surface Lead	12 1/4	200'	Premium Lite II w/ 3% KCl + 10% bentonite	165 / 47	100%	11.0	3.53
Surface Tail	12 1/4	158'	Class G w/ 2% KCl + 0.25 lbs/sk Cello Flake	130 / 111	100%	15.8	1.17
Production Tail	7 7/8	5,500'	50/50 Poz/Class G w/ 3% KCl + 2% bentonite	1191 / 961	25%	13.2	1.24

The surface casing will be cemented to surface. In the event that cement does not reach surface during the primary cement job, a remedial job will be performed.

Actual cement volumes for the production casing string will be calculated from an open hole caliper log, plus 25% excess.

6. Type and Characteristics of Proposed Circulating Medium

Interval	Description
Surface - 358'	An air and/or fresh water system will be utilized.
358' - TD	A water based mud system will be utilized. Hole stability may be improved with additions of KCl or a similar inhibitive substance. In order to control formation pressure the system will be weighted with additions of bentonite, and if conditions warrant, with barite. Anticipated maximum mud weight is 9.5 ppg.

7. Logging, Coring, and Testing

Logging: A dual induction, gamma ray, and caliper log will be run from TD to the base of the surface casing. A compensated neutron/formation density log will be run from TD to the top of the Garden Gulch formation. A cement bond log will be run from PBTD to the cement top behind the production casing.

Cores: As deemed necessary.

RECEIVED: May 04, 2012

DST: There are no DST's planned for this well.

8. Anticipated Abnormal Pressure or Temperature

Maximum anticipated bottomhole pressure will be approximately equal to total depth (feet) multiplied by a 0.47 psi/ft gradient.

8,500' x 0.47 psi/ft = 3978 psi

No abnormal temperature is expected. No H_2S is expected.

9. Other Aspects

This is planned as a vertical well.

RECEIVED: May 04, 2012

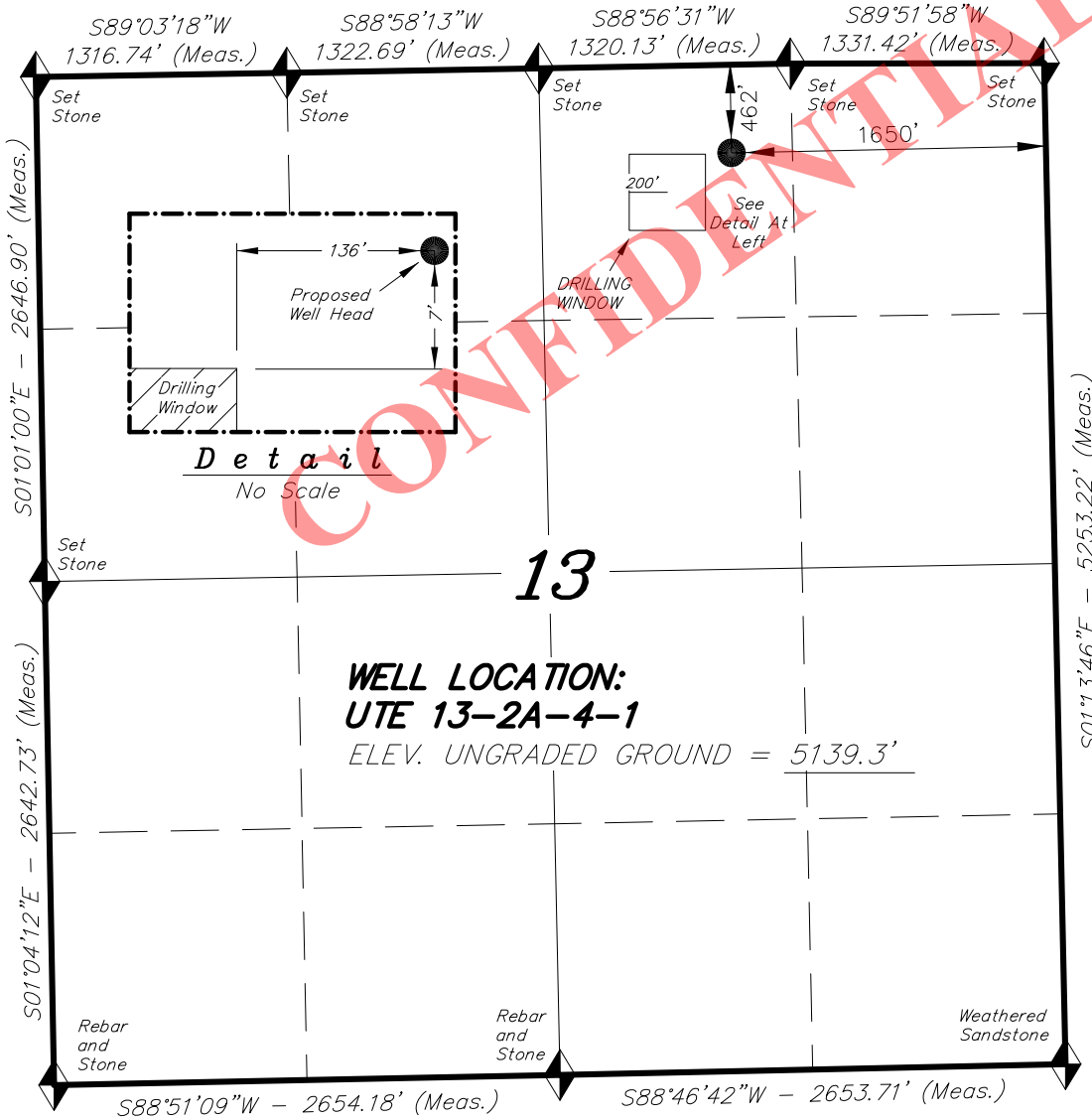
API Well Number: 43047526370000

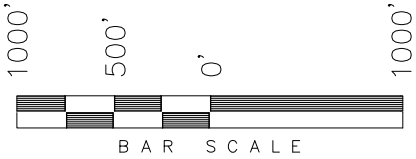
Exhibit "A"

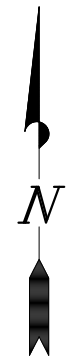
T4S, R1E, U.S.B.&M.

FINLEY RESOURCES INC.

WELL LOCATION, UTE 13-2A-4-1,
LOCATED AS SHOWN IN THE NW 1/4
NE 1/4 OF SECTION 13, T4S, R1E,
U.S.B.&M. UINTAH COUNTY, UTAH.







NOTES:

1. Well footages are measured at right angles to the Section Lines.
2. Bearings are based on Global Positioning Satellite observations.

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR
No. 189377
01-11-12
STACY W. STEWART
REGISTERED LAND SURVEYOR
REGISTRATION No. [illegible]
STATE OF UTAH

= SECTION CORNERS LOCATED

BASIS OF ELEV; Elevations are based on an N.G.S. OPUS Correction. LOCATION: LAT. 40°04'09.56" LONG. 110°00'43.28" (Tristate Aluminum Cap) Elev. 5281.57'

UTE 13-2A-4-1
(Surface Location) NAD 83
LATITUDE = 40° 08' 28.09"
LONGITUDE = 109° 49' 38.53"

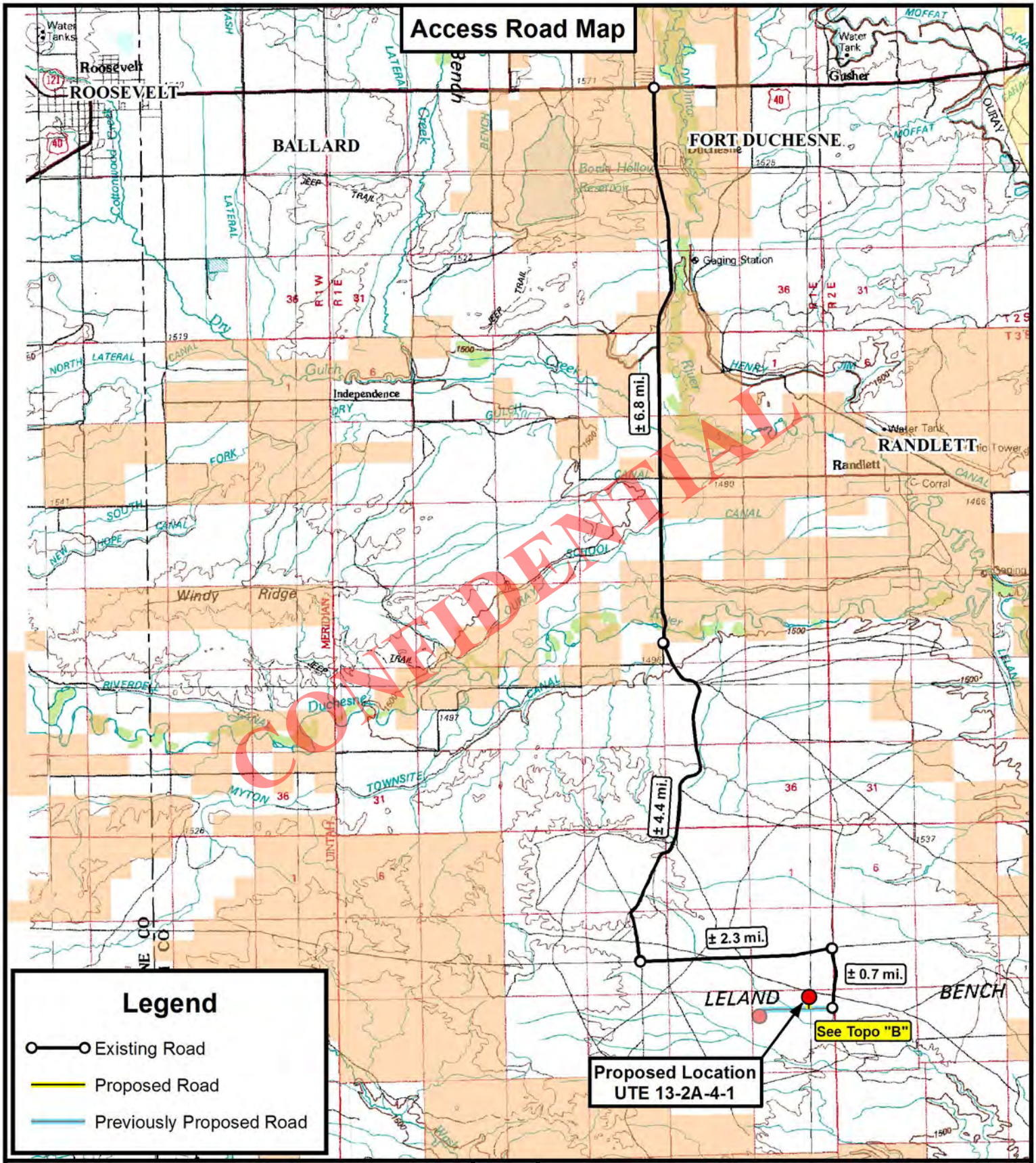
TRI STATE LAND SURVEYING & CONSULTING
180 NORTH VERNAL AVE. - VERNAL, UTAH 84078
(435) 781-2501

DATE SURVEYED: 12-04-11	SURVEYED BY: C.D.S.
DATE DRAWN: 01-06-12	DRAWN BY: F.T.M.
REVISED:	SCALE: 1" = 1000'

RECEIVED: May 04, 2012

API Well Number: 43047526370000

Exhibit "B"



Tri State Land Surveying, Inc.
180 NORTH VERNAL AVE. VERNAL, UTAH 84078
P: (435) 781-2501
F: (435) 781-2518

N

FINLEY RESOURCES INC.

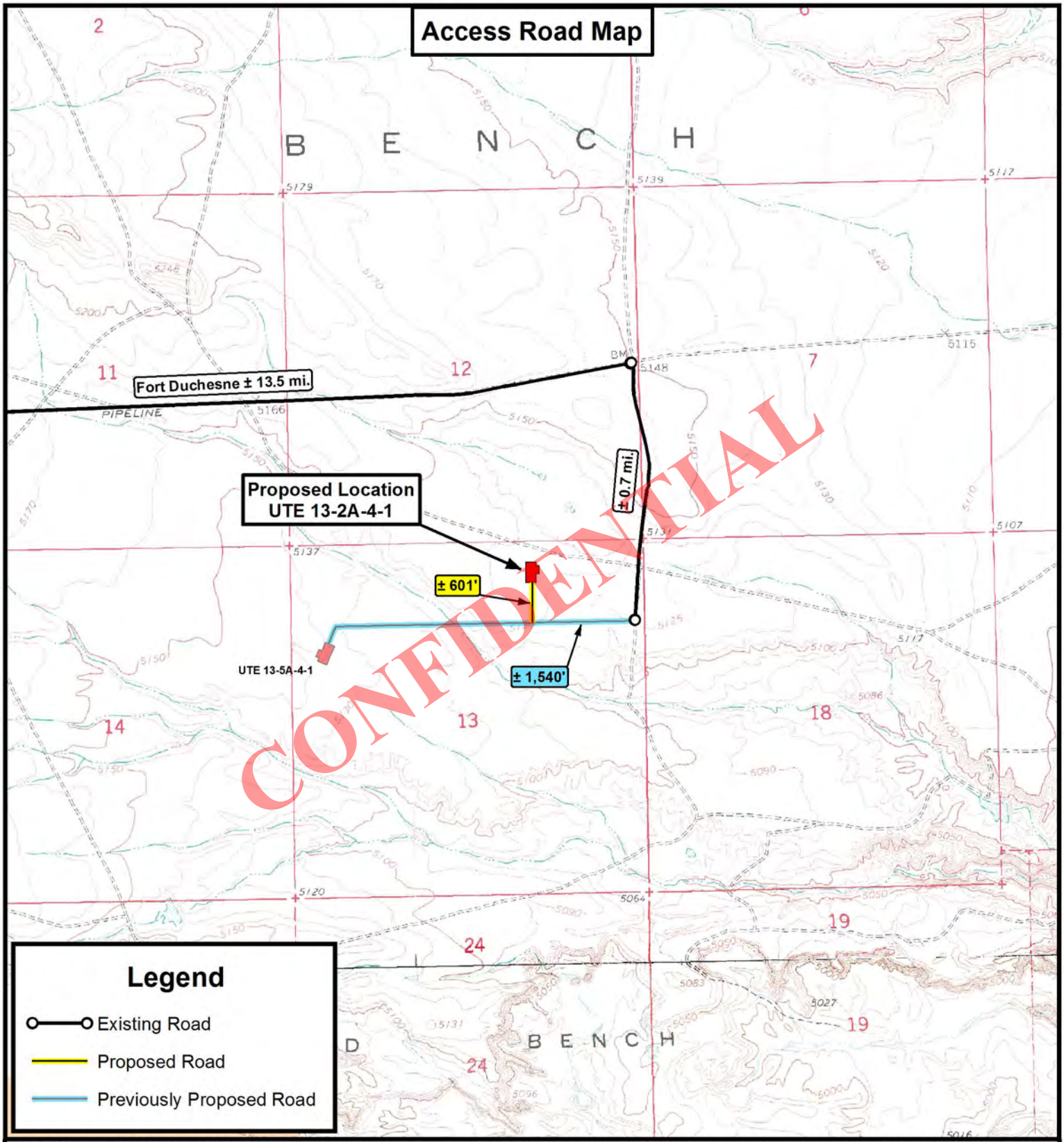
UTE 13-2A-4-1
SEC. 13, T4S, R1E, U.S.B.&M.
Uintah County, UT.

DRAWN BY:	A.P.C.	REVISED:	
DATE:	01-07-2012		
SCALE:	1:100,000		

TOPOGRAPHIC MAP

SHEET A

API Well Number: 43047526370000



THE PARCEL INFORMATION SHOWN HAS NOT BEEN SURVEYED BY TRI-STATE LAND SURVEYING, INC. - TRI-STATE DOES NOT WARRANTY PROPERTY PARCEL DATA OR ANY ASSOCIATED INFORMATION. A PROPERTY SURVEY IS REQUIRED TO DETERMINE THE ACTUAL LOCATION OF PROPERTY LINES AND SHOW ACCURATE DISTANCES ACROSS PARCELS.

Tri State Land Surveying, Inc.
180 NORTH VERNAL AVE. VERNAL, UTAH 84078
P: (435) 781-2501
F: (435) 781-2518

N

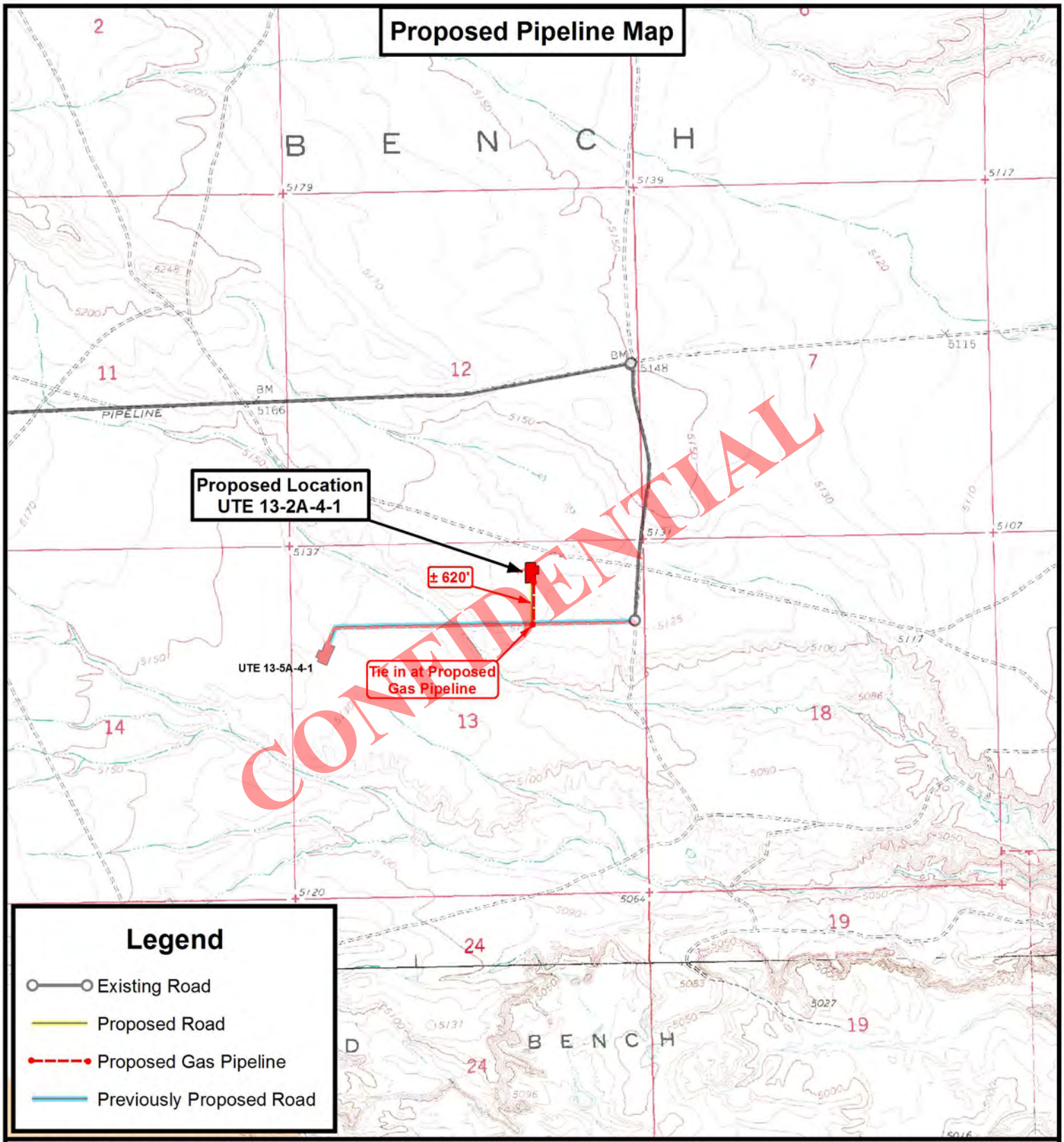
FINLEY RESOURCES INC.
UTE 13-2A-4-1
SEC. 13, T4S, R1E, U.S.B.&M.
Uintah County, UT.

DRAWN BY:	A.P.C.	REVISED:
DATE:	01-07-2012	
SCALE:	1 " = 2,000 '	

TOPOGRAPHIC MAP

SHEET B

API Well Number: 43047526370000



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F: (435) 781-2518

N

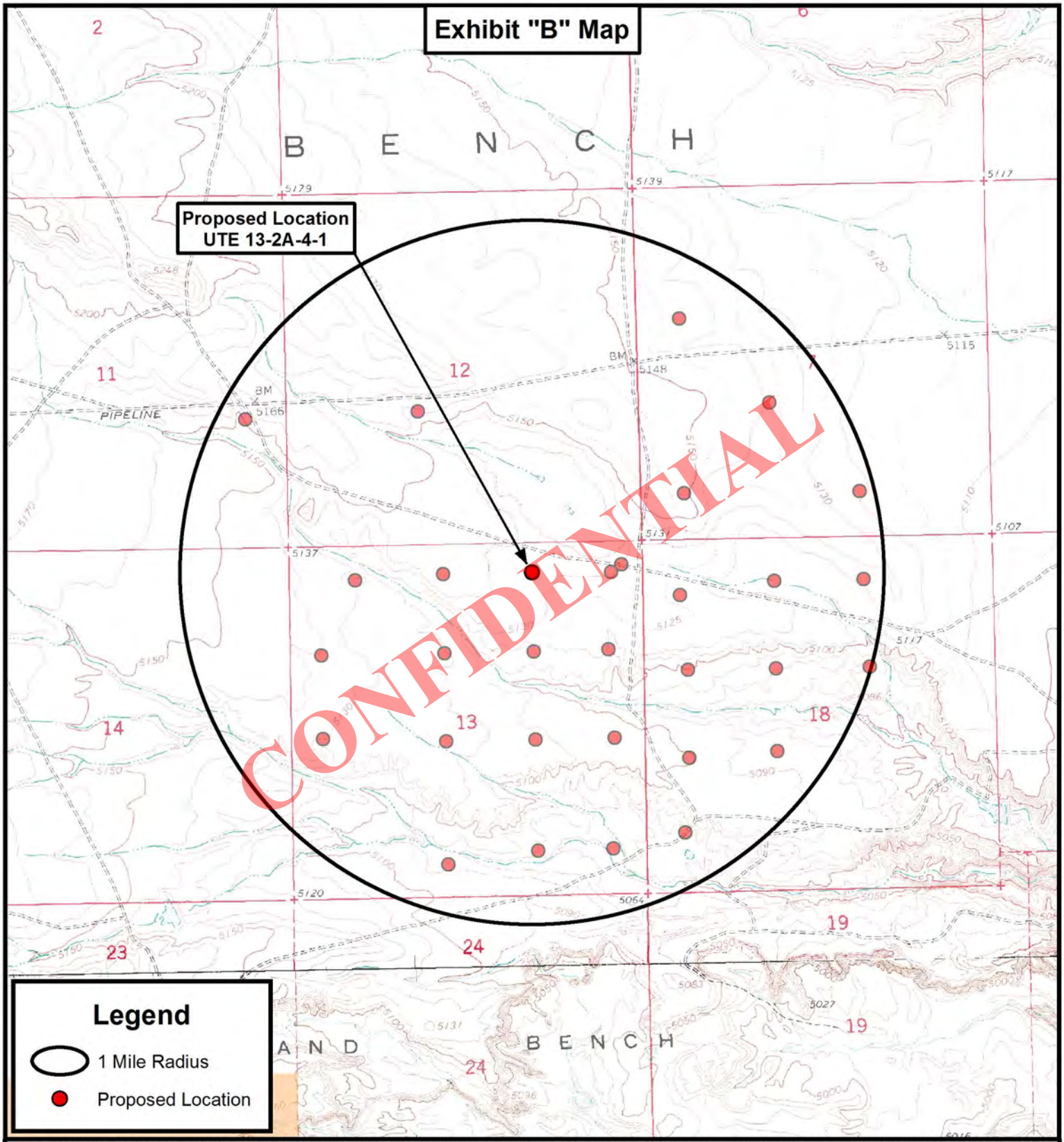
FINLEY RESOURCES INC.
UTE 13-2A-4-1
SEC. 13, T4S, R1E, U.S.B.&M.
Uintah County, UT.

DRAWN BY:	A.P.C.	REVISED:
DATE:	01-07-2012	
SCALE:	1 " = 2,000 '	

TOPOGRAPHIC MAP

SHEET C

API Well Number: 43047526370000



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N

FINLEY RESOURCES INC.

UTE 13-2A-4-1
SEC. 13, T4S, R1E, U.S.B.&M.
Uintah County, UT.

DRAWN BY:	A.P.C.	REVISED:
DATE:	01-07-2012	
SCALE:	1 " = 2,000 '	

TOPOGRAPHIC MAP

SHEET D

MEMORANDUM OF SURFACE USE AGREEMENT
AND GRANT OF EASEMENTS

WHEREAS, Salradus, L.L.C., Bonnie Coleman managing member, whose address is 148 West Center Street, Heber City, UT 84032, Coleman Mountain Holdings, L.L.C., Mary Jo Coleman Adamson managing member, whose address is P.O. Box 610, Roosevelt, UT 84066, Joseph N. Coleman, Trustee of the Coleman Family Trust, dated June 7, 1991, whose address is 393 East Center, Heber City, UT 84032, and Leila Coleman, Trustee of the Coleman Family Trust dated June 28, 1991, whose address is 950 South 400 East #112, St. George, UT 84770 (hereinafter collectively referred to as "Coleman"), and Uintah Resources, Inc. whose address is 3165 E. Millrock Drive, Suite 550, Salt Lake City, UT 84121 ("Optionee"") (Coleman and Optionee are hereinafter collectively referred to as "Owner") and Finley Resources, Inc., whose address is P.O. Box 2200, Fort Worth, Texas, 76113 ("Operator"), have entered into that certain Easement, Right-of-Way and Surface Use Agreement, hereinafter the "SUA", dated effective April 24th, 2012 covering the following lands owned by Owner in Uintah County, Utah, to wit:

Township 4 South, Range 1East, U.S.M.
Section 13: All
Section 16: All
Section 23: N/2

hereinafter the "Lands"

WHEREAS, in the SUA Owner grants and conveys unto Operator a non-exclusive right to enter upon and use the Lands and Owner's adjacent lands for certain oil and gas related purposes, together with a right-of-way across the Lands to maintain and construct access roads, well sites, holding tanks and other such related facilities necessary for Operators oil and gas operations.

This Memorandum of Surface and Damage Agreement shall serve as notice of the agreement covering the Lands and that the SUA is binding upon Owner and Operator's respective successors and/or assigns.

The terms and provisions of the unrecorded SUA are referred to and incorporated herein, and made a part hereof to the same extent as though set out verbatim. Should any conflict arise between the terms of this Memorandum of Surface Use Agreement and Grant of Easements and the SUA, the terms of the SUA shall control.

Executed this 24th day of April, 2012.

OWNER:

Salradus, L.L.C.
Bonnie S. Coleman, managing member
148 West Center Street
Heber City, UT 84032

Coleman Mountain Holdings, L.L.C.
Mary Jo Coleman Adamson, Managing Member
P.O. Box 610
Roosevelt, UT 84066

Coleman Family Trust
Joseph N. Coleman, Trustee
393 East Center
Heber City, UT 84032

The Coleman Family Trust
Leila Coleman, Trustee
950 South 400 East #112
St. George, UT 84770

Uintah Resources, Inc.
By: Todd Dana
Its: President

OPERATOR:

Finley Resources Inc.
By: Clinton Koerth
Its: Vice President

Coleman Mountain Holdings, L.L.C.
Mary Jo Coleman, managing member.
610 N. Mesa Circle. PO Box 610
Roosevelt, UT 84066

Coleman Family Trust
Joseph N. Coleman, Trustee
393 East Center
Heber City, UT 84032

The Coleman Family Trust
Leila Coleman, Trustee
950 South 400 East #112
St. George, UT 84770

Uintah Resources, Inc.
By: ~~Todd Dana~~ Vincent J Memmott
Its: President

OPERATOR:

Finley Resources Inc.
By: Clinton Koerth
Its: Vice President

Coleman Mountain Holdings, L.L.C.
Mary Jo Coleman Adamson, Managing Member
P.O. Box 610
Roosevelt, UT 84066

Coleman Family Trust
Joseph N. Coleman, Trustee
393 East Center
Heber City, UT 84032

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Leila Coleman, Trustee
950 South 400 East #112
St. George, UT 84770

Uintah Resources, Inc.
By: Todd Dana
Its: President

OPERATOR:

Finley Resources Inc.
By: Clinton Koerth
Its: Vice President

API Well Number: 43047526370000

Leila Coleman, Trustee
950 South 400 East #112
St. George, UT 84770

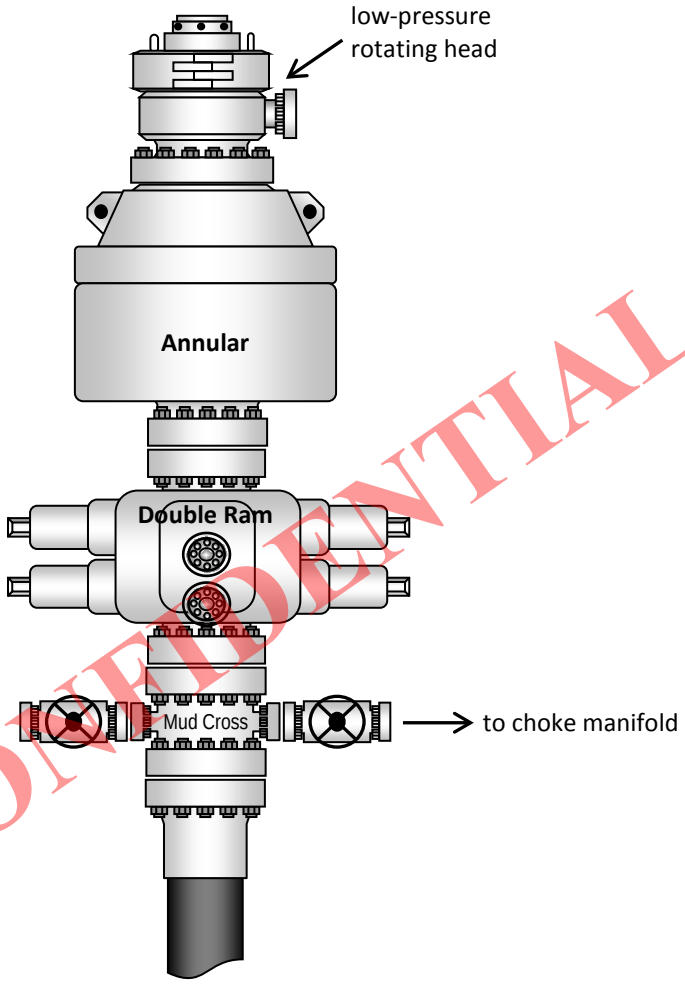
Uintah Resources, Inc.
By: Todd Dana
Its: President

OPERATOR:

Finley Resources Inc.
By: Clinton Koerth
Its: Vice President

Exhibit "E"

Typical 5M BOP stack configuration



RECEIVED: May 04, 2012

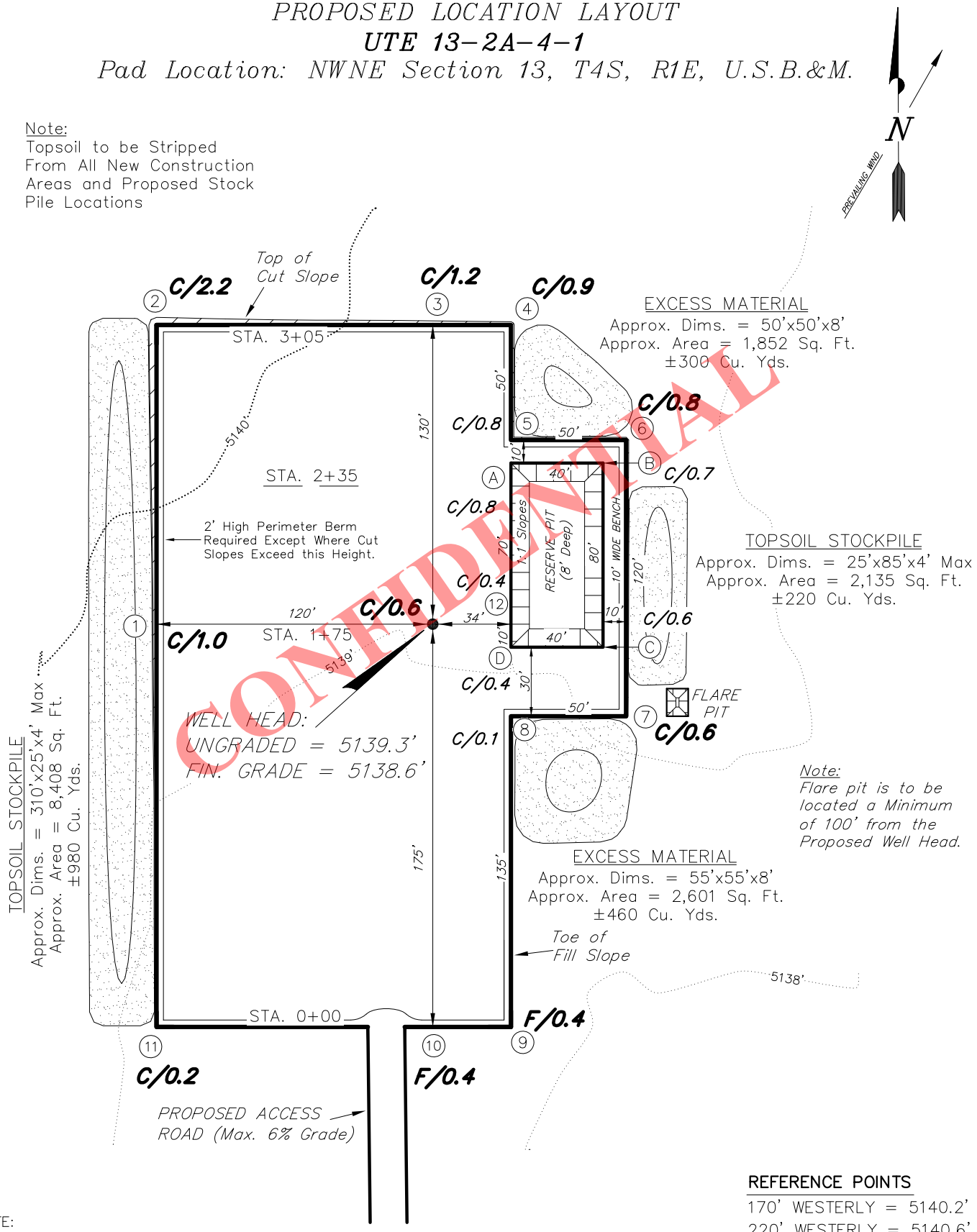
FINLEY RESOURCES INC.

PROPOSED LOCATION LAYOUT

UTE 13-2A-4-1

Pad Location: NWNE Section 13, T4S, R1E, U.S.B.&M.

Note:
Topsoil to be Stripped From All New Construction Areas and Proposed Stock Pile Locations



Note:
Flare pit is to be located a Minimum of 100' from the Proposed Well Head.

NOTE:
The topsoil & excess material areas are calculated as being mounds containing 1,960 cubic yards of dirt (a 10% fluff factor is included). The mound areas are calculated with push slopes of 1.5:1 & fall slopes of 1.5:1.

REFERENCE POINTS

170' WESTERLY = 5140.2'
220' WESTERLY = 5140.6'
180' NORTHERLY = 5139.9'
230' NORTHERLY = 5140.0'

SURVEYED BY:	C.D.S.	DATE SURVEYED:	12-04-11
DRAWN BY:	F.T.M.	DATE DRAWN:	01-06-12
SCALE:	1" = 60'	REVISED:	

Tri State Land Surveying, Inc. (435) 781-2501
180 NORTH VERNAL AVE. VERNAL, UTAH 84078

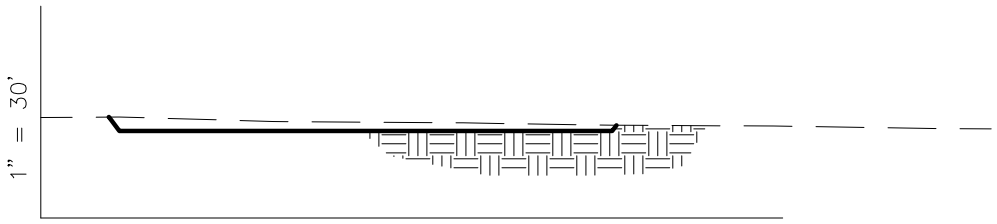
RECEIVED: May 04, 2012

FINLEY RESOURCES INC.

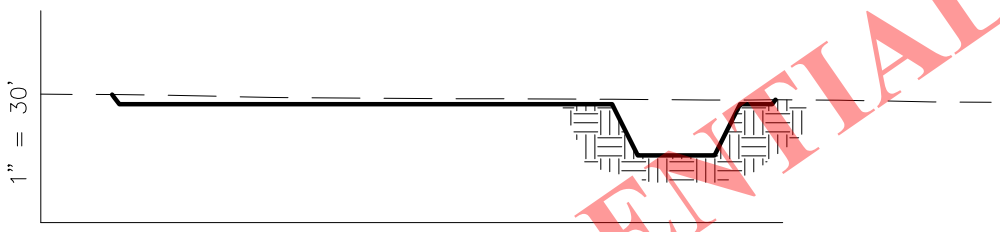
CROSS SECTIONS

UTE 13-2A-4-1

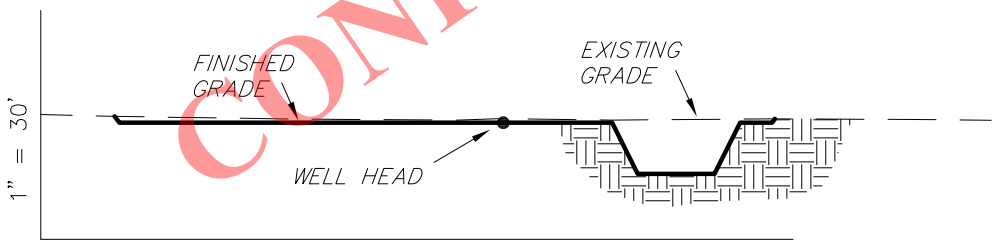
Pad Location: NWNE Section 13, T4S, R1E, U.S.B.&M.



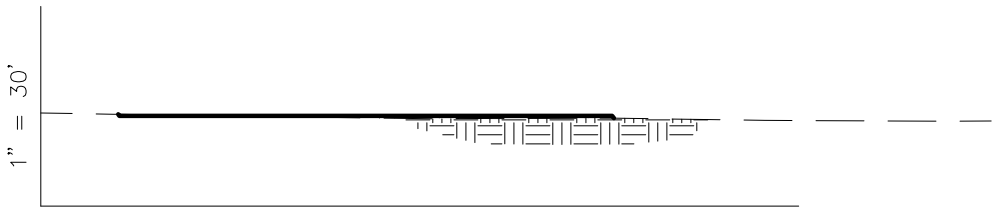
STA. 3+05



STA. 2+35



STA. 1+75



STA. 0+00

NOTE:
UNLESS OTHERWISE
NOTED ALL CUT/FILL
SLOPES ARE AT 1.5:1

ESTIMATED EARTHWORK QUANTITIES
(No Shrink or swell adjustments have been used)
(Expressed in Cubic Yards)

ITEM	CUT	FILL	6" TOPSOIL	EXCESS
PAD	440	440	Topsoil is not included in Pad Cut Volume	0
PIT	690	0		690
TOTALS	1,130	440	1,090	690

SURVEYED BY:	C.D.S.	DATE SURVEYED:	12-04-11
DRAWN BY:	F.T.M.	DATE DRAWN:	01-06-12
SCALE:	1" = 60'	REVISED:	

Tri State Land Surveying, Inc.
(435) 781-2501
180 NORTH VERNAL AVE. VERNAL, UTAH 84078

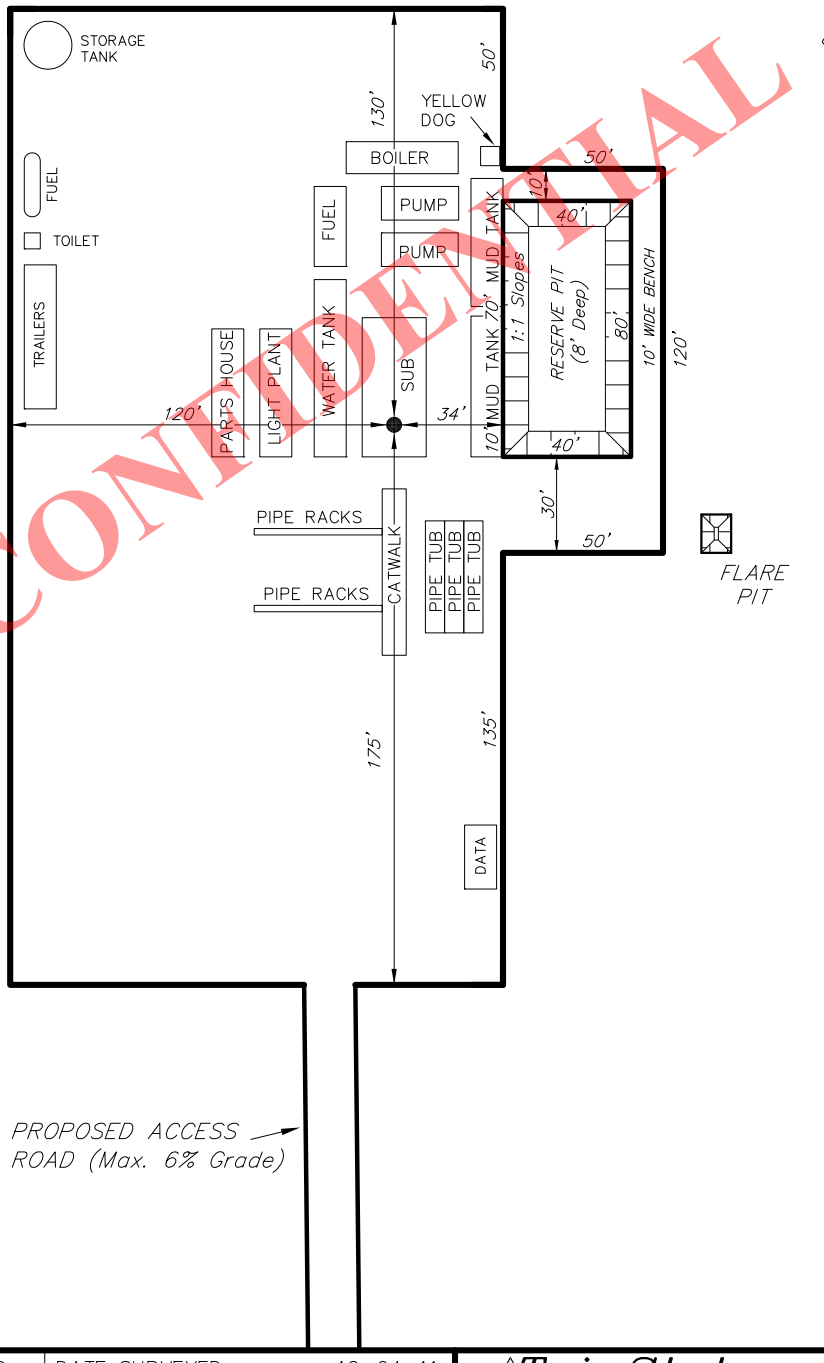
RECEIVED: May 04, 2012

FINLEY RESOURCES INC.

TYPICAL RIG LAYOUT

UTE 13-2A-4-1

Pad Location: NWNE Section 13, T4S, R1E, U.S.B.&M.



Note:
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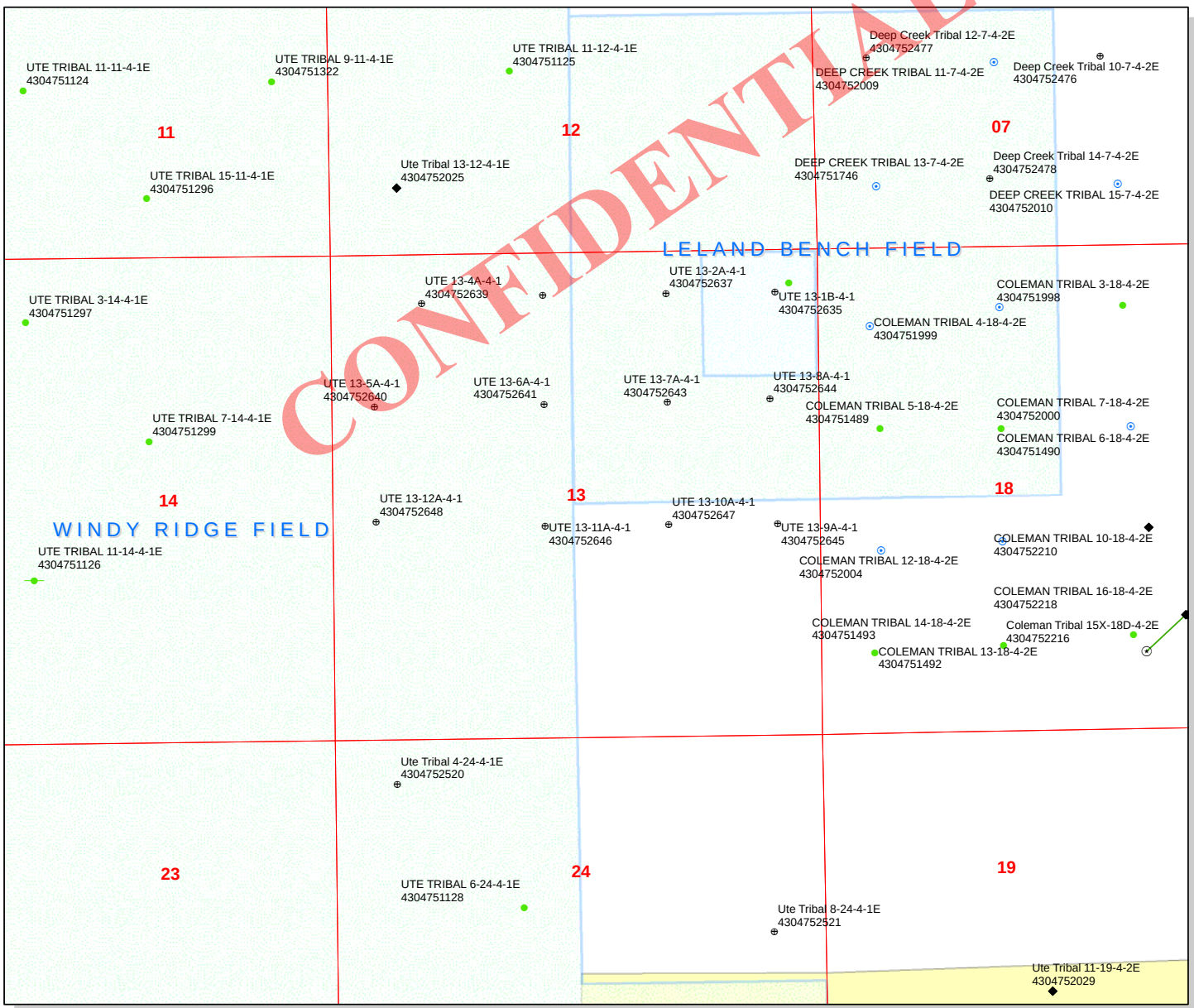
DRAWN BY:	F.T.M.	DATE DRAWN:	01-06-12
SCALE:	1" = 60'	REVISED:	

Tri State Land Surveying, Inc.
(435) 781-2501
180 NORTH VERNAL AVE. VERNAL, UTAH 84078

RECEIVED: May 04, 2012

API Well Number: 43047526370000



API Number: 4304752637

Well Name: UTE 13-2A-4-1

Township T0.4 . Range R0.1 . Section 13

Meridian: UBM

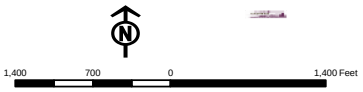
Operator: FINLEY RESOURCES INC

Map Prepared:
Map Produced by Diana Mason

Units
STATUS
ACTIVE
EXPLORATORY
GAS STORAGE
NF PP OIL
NF SECONDARY
PI OIL
PP GAS
PP GEOTHERML
PP OIL
SECONDARY
TERMINATED

Fields
STATUS
Unknown
ABANDONED
ACTIVE
COMBINED
INACTIVE
STORAGE
TERMINATED

Wells Query
Status
APD - Aproved Permit
DRL - Spuded (Drilling Commenced)
GIW - Gas Injection
GS - Gas Storage
LA - Location Abandoned
LOC - New Location
OPS - Operation Suspended
PA - Plugged Abandoned
PGW - Producing Gas Well
POW - Producing Oil Well
RET - Returned APD
SGW - Shut-in Gas Well
SOW - Shut-in Oil Well
TA - Temp. Abandoned
TW - Test Well
WDW - Water Disposal
WIW - Water Injection Well
WSW - Water Supply Well



1:13,466

RECEIVED: May 08, 2012

Star Point Enterprises, Inc.

2580 Creekview Road
Moab, Utah 84532
435/719-2018

May 11, 2012

Mrs. Diana Mason
State of Utah
Division of Oil Gas and Mining
P.O. Box 145801
Salt Lake City, Utah 84114-5801

RE: Request for Exception to Spacing – Finley Resources, Inc. – **Ute 13-2A-4-1**
462' FNL & 1,650' FEL, NW/4 NE/4, Section 13, T4S, R1E, USB&M
Uintah County, Utah

Dear Diana:

Finley Resources, Inc. respectfully submits this request for exception to spacing (R649-3-2) based on topography since the well is located less than 460 feet to the drilling unit boundary. Finley Resources, Inc. is the only owner and operator within 460 feet of the surface and target location as well as all points along the intended well bore path and are not within 460 feet of any uncommitted tracts or a unit boundary.

Thank you very much for your timely consideration of this application. Please feel free to contact Matthew Cooper of Finley Resources, Inc. at 817-231-8738 or myself should you have any questions or need additional information.

Sincerely,

Don Hamilton

Don Hamilton
Agent for Finley Resources, Inc.

cc: Matthew Cooper, Finley Resources, Inc.

RECEIVED: May 11, 2012

ON-SITE PREDRILL EVALUATION
Utah Division of Oil, Gas and Mining

Operator FINLEY RESOURCES INC
Well Name UTE 13-2A-4-1
API Number 43047526370000 **APD No** 5847 **Field/Unit** LELAND BENCH
Location: 1/4,1/4 NWNE **Sec** 13 **Tw** 4.0S **Rng** 1.0E 462 FNL 1650 FEL
GPS Coord (UTM) 599889 4444087 **Surface Owner** Coleman, et al.

Participants

Ted Smith (DOGM), Clay O'Neil, (Finley), Bill Civish (BLM), Don Hamilton (Star Point Enterprises), Mary Jo, Scott.Cody, Bert Coleman, and David Adamson (Coleman Brothers),Dayton Slaugh (Tri-State Survey)

Regional/Local Setting & Topography

The general area is on Leland Bench, which is located about 13 miles south of Fort Duchesne, Uintah County, Utah. Broad flats with low growing desert shrub type vegetation characterize the area. A few rolling hills and slopes leading to higher flats occur. The Uinta formation dominates the surface. Soils are dominated by deep sandy clay loams with erosion pavement common on slopes. No springs, seeps or flowing streams are known to occur in the area. The Duchesne River is approximately 4 miles to the northeast and is the nearest source of flowing water. All lands in the immediate area are privately owned. Solid blocks or scattered Ute Tribal lands surround the area.

Access to the proposed well site is by State of Utah or Uintah County roads and existing or proposed oilfield development roads. Distance from Randlett, Utah is approximately 7 miles. Approximately 601 feet of new road will be constructed to reach the pad.

The proposed pad for the Ute 13-2A-4-1 oil well is laid out in a southeast to northwest direction. Maximum cut is 2.2 feet at Location Corner 2. The location is within the normal drilling window and appears to be a good site for constructing a pad, drilling and operating a well.

Coleman Brothers LLC. own the surface. Mary Jo, Scott, Cody, and Bert Coleman represented the Colman Brothers and had no problems with the site.

Surface Use Plan

Current Surface Use
Wildlfe Habitat
Grazing

New Road Miles	Well Pad	Src Const Material	Surface Formation
0.11	**Width** 150 **Length** 300	Onsite	ALLU

Ancillary Facilities N

Waste Management Plan Adequate?

Environmental Parameters

Affected Floodplains and/or Wetlands N

RECEIVED: July 02, 2012

Flora / Fauna

Overall vegetation at this site is fair. The vegetation on Leland Bench is a desert shrub/forb type. Similar species are common throughout the area. Principal species are shadscale, bud sage, winter fat, horsebrush, broom snakeweed, Indian ricegrass, needle and thread grass, curly mesquite grass, scarlet globe mallow, matt and Gardiner saltbrush, hordeum jabutum and annual mustards. A few occurrences of cheat grass, rabbit brush, buckwheat, Mormon tea and other species occur but are not common. Impacts from past and current grazing do not exist.

Because of the lack of water and cover the area is not rich in fauna. Species include antelope, coyotes and small mammals and rodents. Some shrub dependent birds may occur but were not observed. Historically, but not currently, sheep and wild horses grazed the area. Light winter cattle grazing currently exist.

Soil Type and Characteristics

Soils are a moderately deep sandy loam

Erosion Issues N

Sedimentation Issues N

Site Stability Issues N

Drainage Diverson Required? N

Berm Required? N

Erosion Sedimentation Control Required? N

Paleo Survey Run? Y **Paleo Potental Observed?** N **Cultural Survey Run?** Y **Cultural Resources?** N

Reserve Pit

Site-Specific Factors **Site Ranking**

Distance to Groundwater (feet)
Distance to Surface Water (feet)
Dist. Nearest Municipal Well (ft)
Distance to Other Wells (feet)
Native Soil Type
Fluid Type
Drill Cuttings
Annual Precipitation (inches)
Affected Populations
Presence Nearby Utility Conduits

Final Score Sensitivity Level

Characteristics / Requirements

RECEIVED: July 02, 2012

Reserve pit 40' x 80' x 8' is planned in a cut on the northeast corner of the location. A liner with a minimum thickness of 16-mils is required. A sub-liner may not be needed because of the lack of rock in the area. Flare pit will be constructed 10' x 20' x 5 '

Closed Loop Mud Required? **Liner Required?** **Liner Thickness** **Pit Underlayment Required?**

Other Observations / Comments

Coleman Brothers LLC. own the surface. Mary Jo, Scott, Cody, Bert Coleman attended the presite. A signed surface use agreement has been completed. The Colman Brothers and had no problems with the site.

Ted Smith	6/6/2012
Evaluator	**Date / Time**

RECEIVED: July 02, 2012

Application for Permit to Drill
Statement of Basis
Utah Division of Oil, Gas and Mining

APD No	API WellNo	Status	Well Type	Surf Owner	CBM
5847	43047526370000	LOCKED	OW	P	No
Operator	FINLEY RESOURCES INC		**Surface Owner-APD**	Coleman, et al.	
Well Name	UTE 13-2A-4-1		**Unit**		
Field	LELAND BENCH		**Type of Work**	DRILL	
Location	NWNE 13 4S 1E U 462 FNL 1650 FEL GPS Coord (UTM) 599891E 4444082N				

Geologic Statement of Basis

The mineral rights for the proposed well are owned by the Ute Tribe. The BLM will be the agency responsible for evaluating and approving the drilling, casing and cement programs.

Brad Hill	6/20/2012
APD Evaluator	**Date / Time**

Surface Statement of Basis

The general area is on Leland Bench, which is located about 13 miles south of Fort Duchesne, Uintah County, Utah. Broad flats with low growing desert shrub type vegetation characterize the area. A few rolling hills and slopes leading to higher flats occur. The Uinta formation dominates the surface. Soils are dominated by deep sandy clay loams with erosion pavement common on slopes. No springs, seeps or flowing streams are known to occur in the area. The Duchesne River is approximately 4 miles to the east and is the nearest source of flowing water. All lands in the immediate area are privately owned. Solid blocks or scattered Ute Tribal lands surround the area.

Access to the proposed well site is by State of Utah or Uintah County roads and existing or proposed oilfield development roads. Distance from Randlett, Utah is approximately 7 miles. Approximately 601 feet of new road will be constructed to reach the pad.

The proposed pad for the Ute 13-2A-4-1 oil well is laid out in a north to south direction across a flat with a slight slope to the southeast. Maximum cut is 2.2 feet at Location Corner 2. The location is within the normal drilling window and appears to be a good site for constructing a pad, drilling and operating a well.

Coleman Brothers LLC. own the surface. Mary Jo, Scott, Docy, Bert Coleman attended the presite. A signed surface use agreement has been completed. The Colman Brothers and had no problems with the site.

The minerals are owned by the United States Government and held in trust for the Ute Indian Tribe.

Uintah County has recently passed a new ordinance to regulate extraction industries. This ordinance requires a conditional use permit for all oil or gas wells in areas not zoned as industrial. Ute Energy is required to obtain a permit for this and other wells on Leland Bench.

RECEIVED: July 02, 2012

Ted Smith	6/6/2012
Onsite Evaluator	**Date / Time**

Conditions of Approval / Application for Permit to Drill

Category	Condition
Pits	A synthetic liner with a minimum thickness of 16 mils shall be properly installed and maintained in the reserve pit.
Surface	The reserve pit shall be fenced upon completion of drilling operations.

RECEIVED: July 02, 2012

API Well Number: 43047526370000

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 5/4/2012
API NO. ASSIGNED: 43047526370000
WELL NAME: UTE 13-2A-4-1
OPERATOR: FINLEY RESOURCES INC (N3460)
PHONE NUMBER: 435 719-2018
CONTACT: Don Hamilton

PROPOSED LOCATION: NWNE 13 040S 010E
Permit Tech Review: ☑

SURFACE: 0462 FNL 1650 FEL
Engineering Review: ☐

BOTTOM: 0462 FNL 1650 FEL
Geology Review: ☑

COUNTY: UINTAH
LATITUDE: 40.14114
LONGITUDE: -109.82735
UTM SURF EASTINGS: 599891.00
NORTHINGS: 4444082.00
FIELD NAME: LELAND BENCH
LEASE TYPE: 2 - Indian
LEASE NUMBER: 14-20-H62-4896
PROPOSED PRODUCING FORMATION(S): WASATCH
SURFACE OWNER: 4 - Fee
COALBED METHANE: NO

RECEIVED AND/OR REVIEWED:

- ☑ **PLAT**
- ☑ **Bond:** INDIAN - RLB 0011294
- ☐ **Potash**
- ☐ **Oil Shale 190-5**
- ☐ **Oil Shale 190-3**
- ☐ **Oil Shale 190-13**
- ☑ **Water Permit:** 43-8496
- ☐ **RDCC Review:**
- ☑ **Fee Surface Agreement**
- ☐ **Intent to Commingle**

Commingling Approved

LOCATION AND SITING:

- ☐ **R649-2-3.**

Unit:

- ☐ **R649-3-2. General**
- ☑ **R649-3-3. Exception**
- ☑ **Drilling Unit**

Board Cause No: R649-3-3
Effective Date:
Siting:

- ☐ **R649-3-11. Directional Drill**

Comments: Presite Completed

Stipulations:
1 - Exception Location - dmason
4 - Federal Approval - dmason
5 - Statement of Basis - bhill
23 - Spacing - dmason

RECEIVED: July 02, 2012

GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Permit To Drill

****

Well Name: UTE 13-2A-4-1
API Well Number: 43047526370000
Lease Number: 14-20-H62-4896
Surface Owner: FEE (PRIVATE)
Approval Date: 7/2/2012

Issued to:
FINLEY RESOURCES INC , PO Box 2200, Fort Worth, TX 76113

Authority:
Pursuant to Utah Code Ann. 40-6-1 et seq., and Utah Administrative Code R649-3-1 et seq., the Utah Division of Oil, Gas and Mining issues conditions of approval, and permit to drill the listed well. This permit is issued in accordance with the requirements of R649-3-3. The expected producing formation or pool is the WASATCH Formation(s), completion into any other zones will require filing a Sundry Notice (Form 9). Completion and commingling of more than one pool will require approval in accordance with R649-3-22.

Duration:
This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date

Exception Location:
Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

General:
Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

Conditions of Approval:
State approval of this well does not supercede the required federal approval, which must be obtained prior to drilling.

This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the “Board”). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being

drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis (copy attached).

Notification Requirements:
The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- Within 24 hours following the spudding of the well - contact Carol Daniels at 801-538-5284
  (please leave a voicemail message if not available)
  OR
  submit an electronic sundry notice (pre-registration required) via the Utah Oil & Gas website
  at http://oilgas.ogm.utah.gov

Reporting Requirements:
All reports, forms and submittals as required by the Utah Oil and Gas Conservation General Rules will be promptly filed with the Division of Oil, Gas and Mining, including but not limited to:

- Entity Action Form (Form 6) - due within 5 days of spudding the well
- Monthly Status Report (Form 9) - due by 5th day of the following calendar month
- Requests to Change Plans (Form 9) - due prior to implementation
- Written Notice of Emergency Changes (Form 9) - due within 5 days
- Notice of Operations Suspension or Resumption (Form 9) - due prior to implementation
- Report of Water Encountered (Form 7) - due within 30 days after completion
- Well Completion Report (Form 8) - due within 30 days after completion or plugging

Approved By:

For John Rogers
Associate Director, Oil & Gas

Sundry Number: 31964 API Well Number: 43047526370000

FEDERAL APPROVAL OF THIS ACTION IS NECESSARY

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

FORM 9

5.LEASE DESIGNATION AND SERIAL NUMBER:
14-20-H62-4896

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL
Oil Well

8. WELL NAME and NUMBER:
UTE 13-2A-4-1

2. NAME OF OPERATOR:
FINLEY RESOURCES INC

9. API NUMBER:
43047526370000

3. ADDRESS OF OPERATOR:
PO Box 2200 , Fort Worth, TX, 76113

PHONE NUMBER:
817 231-8735 Ext

9. FIELD and POOL or WILDCAT:
LELAND BENCH

4. LOCATION OF WELL
FOOTAGES AT SURFACE:
0462 FNL 1650 FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:
Qtr/Qtr: NWNE Section: 13 Township: 04.0S Range: 01.0E Meridian: U

COUNTY:
UINTAH

STATE:
UTAH

11.
CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
✓ NOTICE OF INTENT Approximate date work will start: 11/15/2012	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
	✓ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
☐ SUBSEQUENT REPORT Date of Work Completion:	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
☐ SPUD REPORT Date of Spud:	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
☐ DRILLING REPORT Report Date:	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	☐ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Finley Resources Inc. respectfully submits this Sundry Notice requesting to change and extend the surface casing for this well. An updated Drilling Program reflecting these requested changes is attached.

Accepted by the Utah Division of Oil, Gas and Mining

Date: November 15, 2012

By: Dark K Quist

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Don Hamilton	435 719-2018	Agent
SIGNATURE		**DATE**
N/A		11/9/2012

RECEIVED: Nov. 09, 2012

Finley Resources, Inc.
UTE 13-2A-4-1
462' FNL & 1,650' FEL, NW/4 NE/4, Sec 13, T4S, R1E, U.S.B.&M.
Uintah County, UT

Drilling Program

1. Formation Tops

Surface	5,139'
Green River	2,494'
Black Shale	6,419'
Uteland Butte	6,874'
Wasatch	7,364'
TD	8,500'

2. Depth to Oil, Gas, Water, or Minerals

Black Shale	6,419'	- 6,874'	(Oil)
Uteland Butte	6,874'	- TD	(Oil)

Fresh water may be encountered in the Duchesne Formation, but is not expected below about 300'.

3. Pressure Control

Section	BOP Description
Surface	12-1/4" diverter
Interm/Prod	The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc for a 5M system. A 5M BOP system will consist of 2 ram preventers (double or two singles) and an annular preventer (see attached diagram). A choke manifold rated to at least 5,000 psi will be used.

4. Casing

Description	Interval		Weight (ppf)	Grade	Coup	Pore Press @ Shoe	MW @ Shoe	Frac Grad @ Shoe	Safety Factors		
	Top	Bottom							Burst	Collapse	Tension
Conductor	0'	60'	48	H-40	STC	--	--	--	1,730	770	322,000
13 3/8									--	--	--
Surface	0'	500'	24	J-55	STC	8.33	8.6	11	2,950	1,370	244,000
8 5/8									11.59	8.25	20.33
Production	0'	8,500'	15.5	J-55	LTC	9	9.5	11	4,810	4,040	217,000
5 1/2									1.54	1.21	1.65

RECEIVED: Nov. 09, 2012

Assumptions:

Surface casing MASP = (frac gradient + 1.0 ppg) - (gas gradient)
Intermediate casing MASP = (reservoir pressure) - (gas gradient)
Production casing MASP = (reservoir pressure) - (gas gradient)
All collapse calculations assume fully evacuated casing with a gas gradient
All tension calculations assume air weight of casing
Gas gradient = 0.1 psi/ft

All casing shall be new. Top Joint of surface casing will be J-55 STC 32 ppf casing.
All casing strings shall have a minimum of 1 centralizer on each of the bottom 3 joints.

5. Cement

Job	Hole Size	Fill	Slurry Description	ft^3 / sacks	OH excess	Weight (ppg)	Yield (ft^3/sk)
Conductor	17 1/2	60'	Class G w/ 2% KCl + 0.25 lbs/sk Cello Flake	48 / 41	15%	15.8	1.17
Surface Lead	12 1/4	500'	Class G w/ 2% KCl + 0.25 lbs/sk Flocele	413 / 359	100%	15.8	1.15
Production Tail	7 7/8	5,500'	50/50 Poz/Class G w/ 3% KCl + 2% bentonite	1191 / 961	25%	13.2	1.24

The surface casing will be cemented to surface. In the event that cement does not reach surface during the primary cement job, a remedial job will be performed.

Actual cement volumes for the production casing string will be calculated from an open hole caliper log, plus 25% excess.

6. Type and Characteristics of Proposed Circulating Medium

Interval	Description
Surface - 500'	An air and/or fresh water system will be utilized.
500' - TD	A water based mud system will be utilized. Hole stability may be improved with additions of KCl or a similar inhibitive substance. In order to control formation pressure the system will be weighted with additions of bentonite, and if conditions warrant, with barite. Anticipated maximum mud weight is 9.5 ppg.

7. Logging, Coring, and Testing

Logging: A dual induction, gamma ray, and caliper log will be run from TD to the base of the surface casing. A compensated neutron/formation density log will be run from TD to the top of the Garden Gulch formation. A cement bond log will be run from PBTD to the cement top behind the production casing.

Cores: As deemed necessary.

DST: There are no DST's planned for this well.

RECEIVED: Nov. 09, 2012

8. Anticipated Abnormal Pressure or Temperature

Maximum anticipated bottomhole pressure will be approximately equal to total depth (feet) multiplied by a 0.47 psi/ft gradient.

8,500' x 0.47 psi/ft = 3978 psi

No abnormal temperature is expected. No H_2S is expected.

9. Other Aspects

This is planned as a vertical well.

Variance Request for FIT Requirements:

Finley Resources, Inc. respectfully requests a variance to Onshore Order 2, Section III, Part Bi, for the Pressure integrity test (PIT, also known as a formation integrity test (FIT)). This well is not an exploratory well and is being drilled in an area where the formation integrity is well known. Additionally, when an FIT is run with the mud weight as required, the casing shoe frequently breaks down and causes subsequent lost circulation when drilling the entire depth of the well.

Variance Request for Air Drilling Requirements:

Finley Resources, Inc. respectfully requests a variance to Onshore Order #2, III.E.1

- Dust suppression equipment. Variance granted for water mist system to substitute for the dust suppression equipment.
- Blooie line discharge 100’ from the well bore. Variance granted for blooie line discharge to be 75’ from the well bore.
- Compressors located in the opposite direction from the blooie line a minimum of 100’ from the wellbore. Variance granted for truck/trailer mounted air compressors.
- Straight run blooie line. Variance granted for targeted “T’s” at bends.
- Automatic igniter. Variance granted for igniter due to water mist.
- Air drilling operations will be conducted only during drilling of the surface casing hole, there is no history of hydrocarbons being encountered in this hole section in the area where these wells are to be drilled.

RECEIVED: Nov. 09, 2012

Form 3160-3
(August 2007)

RECEIVED

JUL 12 2012

BLM

FORM APPROVED
OMB No. 1004-0136
Expires July 31, 2010

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

CONFIDENTIAL

1a. Type of Work: ☒ DRILL ☐ REENTER	5. Lease Serial No. 1420H624896
	6. If Indian, Allottee or Tribe Name
	7. If Unit or CA Agreement, Name and No.
1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☐ Single Zone ☒ Multiple Zone	8. Lease Name and Well No. UTE 13-2A-4-1
2. Name of Operator FINLEY RESOURCES, INC. Contact: DON S HAMILTON E-Mail: starpoint@etv.net	9. API Well No. 43-047-50637
3a. Address P.O. BOX 2200 FT. WORTH, TX 76113 / 3b. Phone No. (include area code) Ph: 435-719-2018 Fx: 435-719-2019	10. Field and Pool, or Exploratory N/A
4. Location of Well *(Report location clearly and in accordance with any State requirements.*)* At surface NWNE 462FNL 1650FEL 40.141136 N Lat, 109.827369 W Lon At proposed prod. zone NWNE 462FNL 1650FEL 40.141136 N Lat, 109.827369 W Lon	11. Sec., T., R., M., or Blk. and Survey or Area Sec 13 T4S R1E Mer UBM
14. Distance in miles and direction from nearest town or post office* 14.6 MILES SOUTH OF FT DUCHESNE, UTAH	12. County or Parish UINTAH / 13. State UT
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 462	16. No. of Acres in Lease 640.00 / 17. Spacing Unit dedicated to this well 40.00
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 0	19. Proposed Depth 8500 MD 8500 TVD / 20. BLM/BIA Bond No. on file RLB0011294
21. Elevations (Show whether DF, KB, RT, GL, etc. 5139 GL	22. Approximate date work will start 08/15/2012 / 23. Estimated duration 60 DAYS

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature (Electronic Submission)	Name (Printed/Typed) DON S HAMILTON Ph: 435-719-2018	Date 06/30/2012
Title PERMITTING AGENT		
Approved by (Signature)	Name (Printed/Typed) Jerry Kenczka	Date DEC 10 2012
Title Assistant Field Manager Lands & Mineral Resources	Office VERNAL FIELD OFFICE	

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

CONDITIONS OF APPROVAL ATTACHED

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

RECEIVED

DEC 18 2012

DIV. OF OIL, GAS & MINING

Additional Operator Remarks (see next page)

Electronic Submission #141986 verified by the BLM Well Information System
For FINLEY RESOURCES, INC., sent to the Vernal
Committed to AFMSS for processing by LESLIE ROBINSON on 07/18/2012 ()

UDOGM

NOTICE OF APPROVAL

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

12UBR0456AE NO NOS-

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
VERNAL FIELD OFFICE
170 South 500 East VERNAL, UT 84078 (435) 781-4400

CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company:	**Finley Resources Inc.**	**Location:**	**NWNE Sec. 13, T4S, R1E**
Well No:	**UTE 13-2A-4-1**	**Lease No:**	**14-20-H62-4896**
API No:	**43-047-52637**	**Agreement:**	**N/A**

OFFICE NUMBER: (435) 781-4400

OFFICE FAX NUMBER: (435) 781-3420

A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR FIELD REPRESENTATIVE TO INSURE COMPLIANCE

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. **This permit is approved for a two (2) year period, or until lease expiration, whichever occurs first. An additional extension, up to two (2) years, may be applied for by sundry notice prior to expiration.**

NOTIFICATION REQUIREMENTS

Construction Activity (Notify Ute Tribe Energy & Minerals Dept. and BLM Environmental Scientist)	-	The Ute Tribe Energy & Minerals Dept. and BLM Environmental Scientist shall be notified at least 48 hours in advance of any construction activity. The Ute Tribal office is open Monday through Thursday.
Construction Completion (Notify Ute Tribe Energy & Minerals Dept. and BLM Environmental Scientist)	-	Upon completion of the pertinent APD/ROW construction, notify the Ute Tribe Energy & Minerals Dept. for a Tribal Technician to verify the Affidavit of Completion. Notify the BLM Environmental Scientist prior to moving on the drilling rig.
Spud Notice (Notify BLM Petroleum Engineer)	-	Twenty-Four (24) hours prior to spudding the well.
Casing String & Cementing (Notify BLM Supv. Petroleum Tech.)	-	Twenty-Four (24) hours prior to running casing and cementing all casing strings to:blm_ut_vn_opreport@blm.gov.
BOP & Related Equipment Tests (Notify BLM Supv. Petroleum Tech.)	-	Twenty-Four (24) hours prior to initiating pressure tests.
First Production Notice (Notify BLM Petroleum Engineer)	-	Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

SURFACE USE PROGRAM
CONDITIONS OF APPROVAL (COAs)

- Any deviation of submitted APD's, which includes BBCs surface use plan, and ROW applications the operator will notify the BLM in writing and will receive written authorization of any such change with appropriate authorization.

- The operator will implement "Safety and Emergency Plan." The operator's safety director will ensure its compliance.

- All operator employees and/or authorized personnel (sub-contractors) in the field will have approved applicable APD's, COAs, and ROW permits/authorizations on their person(s) during all phases of construction.

- All vehicular traffic, personnel movement, construction/restoration operations shall be confined to the area examined and approved, and to the existing roadways and/or evaluated access routes.

- All personnel shall refrain from collecting artifacts, any paleontological fossils, and from disturbing any significant cultural resources in the area.

- The personnel from the BLM shall be notified should cultural remains from subsurface deposits be exposed or identified during construction. All construction will cease until resources can be identified and protected properly.

- Production facilities will be painted Juniper Green to blend in with the surrounding habitat, unless otherwise stated from the private land owner agreement.

- Site reclamation will be accomplished for portions of the well pad not needed for production, within 6 months of completion, weather permitting. This also includes any roads, and pipeline areas that have been disturbed as well. Roads and pipeline disturbances can undergo reclamation immediately after the pipeline is installed and after the roads are built. Please contact surface owner or the BLM AO for possible seed mixes to use in the project area. Non-natives can be used; however lbs/ac must be kept low to minimize the chance of a monoculture.

- If the pump head is located in the river channel where larval fish are known to occur, the following measures apply:
    a. do not situate the pump in a low-flow or no-flow area as these habitats tend to concentrate larval fishes;
    b. limit the amount of pumping, to the greatest extent possible, during that period of the year when larval fish may be present (April 1 to August 31); and
    c. limit the amount of pumping, to the greatest extent possible, during the pre-dawn hours as larval drift studies indicate that this is a period of greatest daily activity.
- Screen all pump intakes with 3/32 inch mesh material.
- Approach velocities for intake structures will follow the National Marine Fisheries Service's document "Fish Screening Criteria for Anadromous Salmonids". For projects with an in-stream intake that operate in stream reaches where larval fish may be present, the approach velocity will not exceed 0.33 feet per second (ft/s).

- Report any fish impinged on the intake screen to the Service (801.975.3330) and the Utah Division of Wildlife Resources:
  Northeastern Region
  318 North Vernal Ave, Vernal, UT 84078
  Phone: (435) 781-9453

  Finley can only use one of the following water sources listed in Finley's APD.

DOWNHOLE PROGRAM
CONDITIONS OF APPROVAL (COAs)

SITE SPECIFIC DOWNHOLE COAs:

- .Surface casing setting depth shall be 500 ft. Surface casing cementing volumes pumped shall be increased and cement shall continue to be brought to surface.
- Additional cement required, for Cementing Program covering Production Casing string.
- Production casing cement shall be brought up and into the surface.
- Surface casing cement shall be brought to surface.
- A variance is granted for Onshore Order #2 Drilling Operations III. B. I. pressure integrity test (PIT) or formation integrity test (FIT) of surface casing shoe
- A variance is granted for Onshore Order #2 Drilling Operations III. E. "Blooie line discharge 100 feet from well bore and securely anchored" Blooie line can be 75 feet.

All requirements will be adhered to covering air/gas drilling operations as described in Onshore Order #2 III. E. 1. Drilling Operations, Special Drilling Operations, air/gas drilling.

-

All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.

- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.

- All requirements listed in Onshore Order #2 III. E. Special Drilling Operations are applicable for air drilling of surface hole.

- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.

- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test shall be reported in the driller's log.

- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.

- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.

- No aggressive/fresh hard-banded drill pipe shall be used within casing.

- **Cement baskets shall not be run on surface casing.**

- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.

- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.

- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.

- While actively drilling, chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.

- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

- **Please submit an electronic copy of all other logs run on this well by CD (compact disc). This submission will supersede the requirement for submittal of paper logs to the BLM.**

- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

OPERATING REQUIREMENT REMINDERS:

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.

- For information regarding production reporting, contact the Office of Natural Resources Revenue (ONRR) at www.ONRR.gov.

- Should the well be successfully completed for production, the BLM Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:

    - Operator name, address, and telephone number.

    - Well name and number.

    - Well location (¼¼, Sec., Twn, Rng, and P.M.).

    - Date well was placed in a producing status (date of first production for which royalty will be paid).

    - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).

    - The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.

    - Unit agreement and/or participating area name and number, if applicable.

    - Communitization agreement number, if applicable.

- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Vernal Field Office.

- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.

- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if

performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.

- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.

- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be identified as the point of sale or allocation for royalty purposes.

- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.

- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.

- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover equipment shall be removed from a well to be placed in a suspended status without prior approval of the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM Vernal Field Office shall be obtained and notification given before resumption of operations.

- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.

- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

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SUBMIT AS EMAIL | Print Form

BLM - Vernal Field Office - Notification Form

Operator Finley Resources, Inc. Rig Name/# Pete Martin
Submitted By Jim Simonton Phone Number 435-630-1023
Well Name/Number Ute 13-2A-4-1
Qtr/Qtr NWNE Section 13 Township 4S Range 1E
Lease Serial Number 14-20-H62-4896 or 4899
API Number 43-047-52637

Spud Notice – Spud is the initial spudding of the well, not drilling out below a casing string.

Date/Time 2/1/2013 9:00 AM [X] PM [ ]

Casing – Please report time casing run starts, not cementing times.

- [ ] Surface Casing
- [ ] Intermediate Casing
- [ ] Production Casing
- [ ] Liner
- [ ] Other

Date/Time _____ _____ AM [ ] PM [ ]

BOPE

- [ ] Initial BOPE test at surface casing point
- [ ] BOPE test at intermediate casing point
- [ ] 30 day BOPE test
- [ ] Other

Date/Time _____ _____ AM [ ] PM [ ]

Remarks 24" conductor spud this day with Pete Martin

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BLM - Vernal Field Office - Notification Form

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Operator FINLEY RESOURCES INC Rig Name/# CAPSTAR 321
Submitted By ARDEN SULLIVAN Phone Number 801-428-3542
Well Name/Number UTE 13-2A-4-1
Qtr/Qtr NWNE Section 13 Township 4S Range 1E
Lease Serial Number 14-20-H62-4896 or 4899
API Number 43-047-52637

Spud Notice – Spud is the initial spudding of the well, not drilling out below a casing string.

Date/Time _____ _____ AM ☐ PM ☐

Casing – Please report time casing run starts, not cementing times.

☐ Surface Casing
☐ Intermediate Casing
☐ Production Casing
☐ Liner
☐ Other

Date/Time _____ _____ AM ☐ PM ☐

BOPE

☑ Initial BOPE test at surface casing point
☐ BOPE test at intermediate casing point
☐ 30 day BOPE test
☐ Other

Date/Time 2/20/2013 2:00 AM ☑ PM ☐

Remarks _____

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Print Form

BLM - Vernal Field Office - Notification Form

Operator FINLEY RESOURCES INC. Rig Name/# CAPSTAR 321
Submitted By ARDEN SULLIVAN Phone Number 435-823-3629
Well Name/Number UTE 13-2A-4-1
Qtr/Qtr NWNE Section 13 Township 4S Range 1E
Lease Serial Number 14-20-H62-4896
API Number 43-047-52637

Spud Notice – Spud is the initial spudding of the well, not drilling out below a casing string.

Date/Time _____ _____ AM ☐ PM ☐

Casing – Please report time casing run starts, not cementing times.

- ☑ Surface Casing
- ☐ Intermediate Casing
- ☐ Production Casing
- ☐ Liner
- ☐ Other

Date/Time 2/23/2013 12:00 AM ☐ PM ☑

BOPE

- ☐ Initial BOPE test at surface casing point
- ☐ BOPE test at intermediate casing point
- ☐ 30 day BOPE test
- ☐ Other

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Date/Time _____ _____ AM ☐ PM ☐

Remarks CSG SHOE @ 7645', FLOAT COLLAR @ 7601', 5.5" ~~15.5# LT&C PRODUCTION CSG~~

CONFIDENTIAL

Print Form

BLM - Vernal Field Office - Notification Form

Operator FINLEY RESOURCES INC. Rig Name/# CAPSTAR 321
Submitted By ARDEN SULLIVAN Phone Number 435-823-3629
Well Name/Number UTE 13-2A-4-1
Qtr/Qtr NWNE Section 13 Township 4S Range 1E
Lease Serial Number 14-20-H62-4896
API Number 43-047-52637

Spud Notice – Spud is the initial spudding of the well, not drilling out below a casing string.

Date/Time _____ _____ AM ☐ PM ☐

Casing – Please report time casing run starts, not cementing times.

- ☑ Surface Casing
- ☐ Intermediate Casing
- ☐ Production Casing
- ☐ Liner
- ☐ Other

Date/Time 2/23/2013 12:00 AM ☐ PM ☑

BOPE

- ☐ Initial BOPE test at surface casing point
- ☐ BOPE test at intermediate casing point
- ☐ 30 day BOPE test
- ☐ Other

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Date/Time _____ _____ AM ☐ PM ☐

Remarks CSG SHOE @ 7645', FLOAT COLLAR @ 7601', 5.5" ~~15.5# LT&C PRODUCTION CSG~~

FORM 9

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

5.LEASE DESIGNATION AND SERIAL NUMBER: 14-20-H62-4896

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL
Oil Well

8. WELL NAME and NUMBER: UTE 13-2A-4-1

2. NAME OF OPERATOR:
FINLEY RESOURCES INC

9. API NUMBER: 43047526370000

3. ADDRESS OF OPERATOR:
PO Box 2200 , Fort Worth, TX, 76113

PHONE NUMBER: 817 231-8735 Ext

9. FIELD and POOL or WILDCAT: LELAND BENCH

4. LOCATION OF WELL
FOOTAGES AT SURFACE:
0462 FNL 1650 FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:
Qtr/Qtr: NWNE Section: 13 Township: 04.0S Range: 01.0E Meridian: U

COUNTY: UINTAH

STATE: UTAH

11.
CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT Approximate date work will start:	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
☐ SUBSEQUENT REPORT Date of Work Completion:	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
☐ SPUD REPORT Date of Spud:	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
✓ DRILLING REPORT Report Date: 3/18/2013	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	☐ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Please see attached

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY
March 21, 2013

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
April Wilkerson	817 231-8735	Reg & Enviro Analyst
SIGNATURE		**DATE**
N/A		3/19/2013

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On 2/3/13 MIRU Pete Martin bucket rig and bucket drill 24" hole to 43'. Ran 41' of 16" conductor and grout in. RDMO Pete Martin. On the week of 2/3/13 will drill surface hole and set surface csg..Costs to follow with install of surface csg..

On 2/5/13 PM MIRU Por-Petro. Air drill mist 12-1/4" hole to 530'. Ran survey and had 1*. POOH and LDDP. RIH with 12 jts.of 8-5/8" 24# ST&C J-55 csg.as follows: guide shoe, 1 jt; baffle and 11 jts.to surface. Used 5 centralizers. Land shoe at 515' and baffle at 475'. RDMO Pro-Petro drilling rig. On AM of 2/5/13 MIRU Pro Petro cementers. Cement surface csg as follows: Pump 40 bbl.of water, 40 bbl.of gel water followed by 360 sxs.of "G" cement with 2% CaCl and 1/4# flocele and drop plug and displace with 29 bbl.of water. Bump plug at 1:00PM on 2/5/13. Witnessed by State of Utah rep. Had full returns. Est.70 sxs.of cement to surface. Hole standing full. RDMO Pro-Petro. RDUFA.

2/20/2013
Move rig and equipment . Rig up Capstar #321. Lock down BOP and test seals00OK. NU BOP. Test BOP, upper and lower kelly valves, inside BOP, safety valve, annular and pipe and blind rams, kill line, choke line and manifold, valves to 3000# and surface csg.to 1500#--All OK. Install wear bushing. PU bit, dog sub, motor, and BHA. TIH and tag cement at 418'. Pressure test csg.to 1500# for 30 minutes. Slip and cut 100' of drill line. Report on 13-9A well. .

2/21/2013
Continue to slip and cut drill line. RS. Drill cement and float equipment. Drill new hole from 505' to 1006'--400'/hr. TOOH and uplug 2 jets, Chg.out mud motor and TIH. Drill from 1006' to 1257'--125.5'/hr. TOOH due to pressure gain (1000#). Removed 3 jets from bit and lay down Pro-Drift and chg.out mud motors (scale inside of DP). TIH BHA as above to 500'. Pump walnut/polymer sweep. TIH to 1257'. Pump another walnut/polymer sweep and drill from 1257' to 2061'--134'/hr.

2/22/2013
drill from 2061-2615'--158'/hr. Wireline survey--0.4* @ 2548'. Drill from 2615-2786---171'/hr. RS. Drill from 2786-3682--179'/hr. WL survey--3.0* @ 3621'. Drill from 3682-4024'--76'/hr. WL survey at 3950--3.0*. Drill from 4024-4621--74.6'/hr Lost 450 bbl.throughout tour.

2/23/2013
Drill from 4621-5013'--87.1'/hr. WL survey at 4944'--2*. Drill from 5013-6073'--88.3'/hr. WL survey at 6000'--3*. Drill from 6073' to 6500'---65.6'/hr Lost 400 bbl.throughout tour

2/24/2013
Drill from 6500-7354'--84'/hr. RS. Drill from 7354' to TD of 7645'--116'/hr Final survey of 1.8* at 7615'. Circ.and cond.hole clean. Pump sweeps and displace brine mixture to 4000' wiht a 57 vis.and 10.5 ppg. Drop survey tool and TOOH for OH logs. Safety mtg.adn RU Weatherford OH loggers.

2/25/2013
Run Weatherford OH Triple Combo logs LTD=7645'. Remove wear bshg. . Safety mtg. RU to run csg.. Run 181 jts.and 1 marker jt.of 5-1/2" 15.5# J-55 LT&C csg..Land shoe at 7645' and FC @ 7601'. RU Halliburton cementers and cement with 40 bbl.gel water, 10 bbl.spacer, 400 sxs.lead cement at 10.5 ppg followed

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by 750 sxs.of 12.0 ppg tail cement. Wash up. Drop plug and displace plug with 181 bbl.of cla-web water. Final lift psi=1600#. Bump plug at 500# over and float held. Bump plug at 2:00AM on 2/25/13.. Lay down landing jt.and ND. Install wellhead packing and test to 5000#--OK. Clean pits and RD to move out Capstar #321 drilling rig. .

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DIV. OF OIL, GAS & MINING

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AMENDED REPORT ☐ (highlight changes) FORM 8

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. LEASE DESIGNATION AND SERIAL NUMBER: 14-20-H62-4896

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

1a. TYPE OF WELL: OIL WELL ☑ GAS WELL ☐ DRY ☐ OTHER

7. UNIT or CA AGREEMENT NAME: Ute

b. TYPE OF WORK: NEW WELL ☐ HORIZ. LATS. ☐ DEEP-EN ☐ RE-ENTRY ☐ DIFF. RESVR. ☐ OTHER

8. WELL NAME and NUMBER: UTE 13-2A-4-1

2. NAME OF OPERATOR: Finley Resources, Inc

9. API NUMBER: 4304752637

3. ADDRESS OF OPERATOR: 1308 Lake Street CITY Fort Worth STATE TX ZIP 76102

PHONE NUMBER: (817) 231-8735

10 FIELD AND POOL, OR WILDCAT: Leland Bench

4. LOCATION OF WELL (FOOTAGES)
AT SURFACE: 462 FNL, 1650 FEL
AT TOP PRODUCING INTERVAL REPORTED BELOW: 462 FNL, 1650 FEL
AT TOTAL DEPTH: 462 FNL, 1650 FEL

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNE 13 4S 1E

12. COUNTY: Uintah

13. STATE: UTAH

14. DATE SPUDDED: 2/19/2013

15. DATE T.D. REACHED: 2/24/2013

16. DATE COMPLETED: 4/6/2013 ABANDONED ☐ READY TO PRODUCE ☑

17. ELEVATIONS (DF, RKB, RT, GL): 5139 GL

18. TOTAL DEPTH: MD 7,645 TVD 7,645

19. PLUG BACK T.D.: MD 7,595 TVD 7,595

20. IF MULTIPLE COMPLETIONS, HOW MANY? *

21. DEPTH BRIDGE PLUG SET: MD TVD

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)

23.
WAS WELL CORED? NO ☑ YES ☐ (Submit analysis)
WAS DST RUN? NO ☑ YES ☐ (Submit report)
DIRECTIONAL SURVEY? NO ☑ YES ☐ (Submit copy)

24. CASING AND LINER RECORD (Report all strings set in well)

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
12 1/4	8 5/8 J55	24		515		G 360		surface	
7 7/8	5 1/2 J55	15.5		7,645		1,158		290(CBL)	

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
2 7/8	5,419							

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)
(A) GreenRiver/Wasat				
(B)				
(C)				
(D)				

27. PERFORATION RECORD

INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
5,131 7,512			Open ☑ Squeezed ☐
			Open ☐ Squeezed ☐
			Open ☐ Squeezed ☐
			Open ☐ Squeezed ☐

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
5131-7512	4800 bbl tot. fluid ; 489,000# of 20/40 mesh sand

29. ENCLOSED ATTACHMENTS:

☐ ELECTRICAL/MECHANICAL LOGS ☐ GEOLOGIC REPORT ☐ DST REPORT ☐ DIRECTIONAL SURVEY
☐ SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION ☐ CORE ANALYSIS ☐ OTHER:

30. WELL STATUS: P

(5/2000)

(CONTINUED ON BACK)

31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE: 5/9/2013		HOURS TESTED: 24		TEST PRODUCTION RATES: →	OIL – BBL: 31	GAS – MCF: 0	WATER – BBL: 80	PROD. METHOD: Pump
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS. 50	API GRAVITY 38.60	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL: 31	GAS – MCF: 0	WATER – BBL: 80	INTERVAL STATUS: Prod

INTERVAL B (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL C (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL D (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

33. SUMMARY OF POROUS ZONES (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
Green River	2,438				
Garden Gultch	5,155				
Douglas Creek	5,964				
Black Shale	6,522				
Castle Peak	6,672				
Uteland Butte	7,004				
Wasatch	7,145				
TD	7,645				

35. ADDITIONAL REMARKS (Include plugging procedure)

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) April Wilkerson TITLE Regulatory Analyst

SIGNATURE _____ DATE 6/28/2013

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

** ITEM 24: Cement Top – Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

Fax: 801-359-3940

(5/2000)

Sundry Number: 65846 API Well Number: 43047526370000

FEDERAL APPROVAL OF THIS ACTION IS NECESSARY

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

FORM 9

5.LEASE DESIGNATION AND SERIAL NUMBER: 14-20-H62-4896

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL
Oil Well

8. WELL NAME and NUMBER: UTE 13-2A-4-1

2. NAME OF OPERATOR:
FINLEY RESOURCES INC

9. API NUMBER: 43047526370000

3. ADDRESS OF OPERATOR:
PO Box 2200 , Fort Worth, TX, 76113

PHONE NUMBER: 817 231-8735 Ext

9. FIELD and POOL or WILDCAT: LELAND BENCH

4. LOCATION OF WELL
FOOTAGES AT SURFACE:
0462 FNL 1650 FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:
Qtr/Qtr: NWNE Section: 13 Township: 04.0S Range: 01.0E Meridian: U

COUNTY: UINTAH

STATE: UTAH

11.
CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
✓ NOTICE OF INTENT Approximate date work will start: 9/1/2015	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
☐ SUBSEQUENT REPORT Date of Work Completion:	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
☐ SPUD REPORT Date of Spud:	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
☐ DRILLING REPORT Report Date:	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	☐ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	✓ OTHER	OTHER: Gas Meter Calibration

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Onshore Order states that gas meters be calibrated on a quarterly basis for wells making over 100 mcf/day. The following wells contained on the attached list make less than 100 mcf/day based on their average gas production per day last month. Finley Resources request that the gas meters located on these wells be calibrated twice a year since they make less than the required 100 mcf/day.

Approved by the
Utah Division of
Oil, Gas and Mining
Date: September 02, 2015
By: Dark K Quist

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
April Wilkerson	817 231-8735	Reg & Enviro Analyst
SIGNATURE		**DATE**
N/A		9/1/2015

RECEIVED: Sep. 01, 2015

WELL NAME	Average Daily Gas (Mcf/D)	API #
Bar F 25-3A-4-2	0	4304754331
Bar F 25-6A-4-2	0	4304754334
Bastian 3-8A1	21.55	4301331181
Brennan Bottoms 1-15	0	4304731018
Duck Creek 16-16 GR	11.39	4304730653
Natural Duck 1-15	0	4304730393
Natural Duck 6-15	0	4304730647
Gardner 36-7A-3-2	51.03	4304754713
Gardner 36-10A-3-2	43.96	4304754487
Gardner 36-15A-3-2	53.84	4304754486
Gardner 36-15B-3-2	35.10	4304754712
Gardner 36-16A-3-2	47.68	4304754711
Hackford 14-7A-4-2	0	4304754438
Hackford 14-10A-4-2	0	4304754439
Federal 33-7L	0	4304731844
Federal 33-8N	0	4304731787
Ute 21-01	0	4304731821
Ute 2-26	3.92	4304732574
Ute 9-26	14.26	4304733543
Ute 11-25	2.10	4304733551
Ute 13-1C	0	4304731846
Ute 13-2A-4-1	46.06	4304752637
Ute 13-3A-4-1	28.87	4304752638

RECEIVED: Sep. 01, 2015

WELL NAME	Average Daily Gas (Mcf/D)	API #
Ute 13-4A-4-1	12.65	4304752639
Ute 13-5A-4-1	18.13	4304752640
Ute 13-6A-4-1	3.00	4304752641
Ute 13-7A-4-1	23.12	4304752643
Ute 13-8A-4-1	21.87	4304752644
Ute 13-9A-4-1	49.13	4304752645
Ute 13-10A-4-1	63.48	4304752647
Ute 13-11A-4-1	23.58	4304752646
Ute 13-12A-4-1	35.61	4304752648
Ute 13-14A-4-1	9.55	4304752655
Ute 13-15A-4-1	46.35	4304752656
Ute 13-16A-4-1	34.29	4304752661
Ute 16-1A-4-1	30.32	4304752662
Ute 16-1C	10.00	4304731933
Ute 16-2A-4-1	37.19	4304732663
Ute 16-3A-4-1	44.35	4304752657
Ute 16-4A-4-1	32.84	4304752658
Ute 16-5A-4-1	33.10	4304752664
Ute 16-6A-4-1	34.42	4304752659
Ute 16-7A-4-1	31.52	4304752665
Ute 16-8A-4-1	31.52	4304752667
Ute 16-9A-4-1	27.13	4304752660
Ute 16-10A-4-1	36.48	4304752668

RECEIVED: Sep. 01, 2015

WELL NAME	Average Daily Gas (Mcf/D)	API #
Ute 16-11A-4-1	67.61	4304752666
Ute 16-12A-4-1	35.16	4304752671
Ute 16-14A-4-1	79.23	4304752670
Ute 16-15A-4-1	75.32	4304752669
Ute 22-2	3.13	4304732097
Ute 22-3A-4-1	35.10	4304753548
Ute 22-4A-4-1	38.81	4304753547
Ute 22-6A-4-1	42.90	4304753545
Ute 22-10A-4-1	38.03	4304753543
Ute 22-15A-4-1	38.23	4304753542
Ute 22-16A-4-1	23.58	4304753615
Ute 23-1A-4-1	20.35	4304753380
Ute 23-2A-4-1	28.94	4304753381
Ute 23-3A-4-1	32.35	4304753382
Ute 23-4A-4-1	20.87	4304753383
Ute 23-7A-4-1	31.84	4304753384
Ute 23-9A-4-1	13.61	4304753616
Ute 23-10A-4-1	36.00	4304753541
Ute 23-11A-4-1	19.16	4304753540
Ute 25-1	3.64	4304731848
Ute 25-3A-4-1	57.58	4304753539
Ute 25-F	4.96	4304732809
Ute 26-1C	3.92	4304731738

RECEIVED: Sep. 01, 2015

WELL NAME	Average Daily Gas (Mcf/D)	API #
Ute 26-5A-4-1	38.48	4304753538
Ute 26-5J	0	4304732574
Ute 27-1	0	4304731942
Ute 27-1A-4-1	24.45	4304753536
Ute 27-2A-4-1	43.94	4304753535
Ute 27-3A-4-1	38.90	4304753534
Ute 1-29A1E	3.32	4304730937

RECEIVED: Sep. 01, 2015